

		FOR OHF USE					

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2002
STATE OF ILLINOIS
DEPARTMENT OF PUBLIC AID
FINANCIAL AND STATISTICAL REPORT FOR
LONG-TERM CARE FACILITIES
(FISCAL YEAR 2002)

IMPORTANT NOTICE
THIS AGENCY IS REQUESTING DISCLOSURE OF INFORMATION
THAT IS NECESSARY TO ACCOMPLISH THE STATUTORY
PURPOSE AS OUTLINED IN 210 ILCS 45/3-208. DISCLOSURE
OF THIS INFORMATION IS MANDATORY. FAILURE TO PROVIDE
ANY INFORMATION ON OR BEFORE THE DUE DATE WILL
RESULT IN CESSATION OF PROGRAM PAYMENTS. THIS FORM
HAS BEEN APPROVED BY THE FORMS MANAGEMENT CENTER.

I.

IDPH Facility ID Number: 0024943

Facility Name: Milestone-Elmwood Heights

Address: 2662 Elmwood Road 61103
Number City Zip Code

County: Winnebago

Telephone Number: (815) 877-7001 Fax # (815) 654-6445

IDPA ID Number: 362769801001

Date of Initial License for Current Owners: 09/01/79

Type of Ownership:

X

VOLUNTARY, NON-PROFIT

X

Charitable Corp.

Trust

IRS Exemption Code 501 (c) 3

PROPRIETARY

Individual

Partnership

Corporation

"Sub-S" Corp.

Limited Liability Co.

Trust

Other

GOVERNMENTAL

State

County

Other

In the event there are further questions about this report, please contact:
Name: Hugh Lippitt Telephone Number: (815) 654-6100

II.

CERTIFICATION BY AUTHORIZED FACILITY OFFICER

I have examined the contents of the accompanying report to the
State of Illinois, for the period from 07/01/01 to 06/30/02
and certify to the best of my knowledge and belief that the said contents
are true, accurate and complete statements in accordance with
applicable instructions. Declaration of preparer (other than provider)
is based on all information of which preparer has any knowledge.

Intentional misrepresentation or falsification of any information
in this cost report may be punishable by fine and/or imprisonment.

Officer or
Administrator
of Provider

(Signed) _____
(Type or Print Name) Hugh W. Lippitt
(Title) Vice President, Finance

Paid
Preparer

(Signed) _____
(Print Name and Title) _____
(Firm Name & Address) _____
(Telephone) () Fax # ()

MAIL TO: OFFICE OF HEALTH FINANCE
ILLINOIS DEPARTMENT OF PUBLIC AID
201 S. Grand Avenue East
Springfield, IL 62763-0001
Phone # (217) 782-1630

Facility Name & ID Number Milestone-Elmwood Heights

0024943 Report Period Beginning: 07/01/01 Ending: 06/30/02

III. STATISTICAL DATA

A. Licensure/certification level(s) of care; enter number of beds/bed days, (must agree with license). Date of change in licensed beds 04/22/2002

	1	2	3	4	
	Beds at Beginning of Report Period	Licensure Level of Care	Beds at End of Report Period	Licensed Bed Days During Report Period	
1		Skilled (SNF)			1
2		Skilled Pediatric (SNF/PED)			2
3	90	Intermediate (ICF)	84	32,430	3
4		Intermediate/DD			4
5		Sheltered Care (SC)			5
6		ICF/DD 16 or Less			6
7	90	TOTALS	84	32,430	7

B. Census-For the entire report period.

	1	2	3	4	5	
	Level of Care	Patient Days by Level of Care and Primary Source of Payment				
		Public Aid Recipient	Private Pay	Other	Total	
8	SNF					8
9	SNF/PED					9
10	ICF					10
11	ICF/DD	28,569			28,569	11
12	SC					12
13	DD 16 OR LESS					13
14	TOTALS	28,569			28,569	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 88.09%

D. How many bed-hold days during this year were paid by Public Aid? 320 (Do not include bed-hold days in Section B.)

E. List all services provided by your facility for non-patients. (E.g., day care, "meals on wheels", outpatient therapy) N/A

F. Does the facility maintain a daily midnight census? Yes

G. Do pages 3 & 4 include expenses for services or investments not directly related to patient care? YES NO X

H. Does the BALANCE SHEET (page 17) reflect any non-care assets? YES NO X

I. On what date did you start providing long term care at this location? Date started 09/04/79

J. Was the facility purchased or leased after January 1, 1978? YES NO X

K. Was the facility certified for Medicare during the reporting year? YES NO X If YES, enter number of beds certified and days of care provided Medicare Intermediary

IV. ACCOUNTING BASIS

ACCUAL X MODIFIED CASH* CASH*

Is your fiscal year identical to your tax year? YES X NO

Tax Year: 06/30/02 Fiscal Year: 06/30/02

* All facilities other than governmental must report on the accrual basis.

Facility Name & ID Number

Milestone-Elmwood Heights

0024943

Report Period Beginning:

07/01/01

Ending:

06/30/02

V. COST CENTER EXPENSES (throughout the report, please round to the nearest dollar)

	Operating Expenses	Costs Per General Ledger				Reclass- ification 5	Reclassified Total 6	Adjust- ments 7	Adjusted Total 8	FOR OHF USE ONLY		
		Salary/Wage 1	Supplies 2	Other 3	Total 4					9	10	
	A. General Services											
1	Dietary	127,944	12,639	1,518	142,101		142,101		142,101			1
2	Food Purchase		241,495		241,495		241,495		241,495			2
3	Housekeeping	124,166	64,044	13,472	201,682		201,682		201,682			3
4	Laundry		75,651		75,651		75,651		75,651			4
5	Heat and Other Utilities			144,457	144,457		144,457		144,457			5
6	Maintenance	142,161	203,492	21,107	366,760		366,760		366,760			6
7	Other (specify):*											7
8	TOTAL General Services	394,271	597,321	180,554	1,172,146		1,172,146		1,172,146			8
	B. Health Care and Programs											
9	Medical Director			12,000	12,000		12,000		12,000			9
10	Nursing and Medical Records	2,284,264	248,941	119,664	2,652,869		2,652,869		2,652,869			10
10a	Therapy											10a
11	Activities		55,829	400	56,229		56,229		56,229			11
12	Social Services											12
13	Nurse Aide Training	133,945			133,945		133,945		133,945			13
14	Program Transportation		20,671	3,490	24,161		24,161		24,161			14
15	Other (specify):*											15
16	TOTAL Health Care and Programs	2,418,209	325,441	135,554	2,879,204		2,879,204		2,879,204			16
	C. General Administration											
17	Administrative	56,104		115,863	171,967	(39,474)	132,493		132,493			17
18	Directors Fees											18
19	Professional Services			47,653	47,653		47,653		47,653			19
20	Dues, Fees, Subscriptions & Promotions			42,935	42,935		42,935		42,935			20
21	Clerical & General Office Expenses	112,273	47,968	32,623	192,864	39,474	232,338		232,338			21
22	Employee Benefits & Payroll Taxes			572,573	572,573		572,573		572,573			22
23	Inservice Training & Education			5,946	5,946		5,946		5,946			23
24	Travel and Seminar			12,890	12,890		12,890		12,890			24
25	Other Admin. Staff Transportation											25
26	Insurance-Prop.Liab.Malpractice			42,090	42,090		42,090		42,090			26
27	Other (specify):*											27
28	TOTAL General Administration	168,377	47,968	872,573	1,088,918		1,088,918		1,088,918			28
29	TOTAL Operating Expense (sum of lines 8, 16 & 28)	2,980,857	970,730	1,188,681	5,140,268		5,140,268		5,140,268			29

*Attach a schedule if more than one type of cost is included on this line, or if the total exceeds \$1000.

NOTE: Include a separate schedule detailing the reclassifications made in column 5. Be sure to include a detailed explanation of each reclassification.

V. COST CENTER EXPENSES (continued)

	Capital Expense	Cost Per General Ledger				Reclass-ification	Reclassified Total	Adjust-ments	Adjusted Total	FOR OHF USE ONLY		
		Salary/Wage	Supplies	Other	Total					9	10	
	D. Ownership	1	2	3	4	5	6	7	8			
30	Depreciation			218,398	218,398	7,770	226,168	(109,455)	116,713			30
31	Amortization of Pre-Op. & Org.											31
32	Interest			5,581	5,581		5,581		5,581			32
33	Real Estate Taxes											33
34	Rent-Facility & Grounds											34
35	Rent-Equipment & Vehicles			13,170	13,170	(5,739)	7,431		7,431			35
36	Other (specify):* Alloc. Maint. Bldg			2,031	2,031	(2,031)						36
37	TOTAL Ownership			239,180	239,180		239,180	(109,455)	129,725			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation											38
39	Ancillary Service Centers											39
40	Barber and Beauty Shops											40
41	Coffee and Gift Shops											41
42	Provider Participation Fee			296,068	296,068		296,068		296,068			42
43	Other (specify):*											43
44	TOTAL Special Cost Centers			296,068	296,068		296,068		296,068			44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	2,980,857	970,730	1,723,929	5,675,516		5,675,516	(109,455)	5,566,061			45

*Attach a schedule if more than one type of cost is included on this line, or if the total exceeds \$1000.

VI. ADJUSTMENT DETAIL A. The expenses indicated below are non-allowable and should be adjusted out of Schedule V, pages 3 or 4 via column 7.
In column 2 below, reference the line on which the particular cost was included. (See instructions.)

		1	2	3	
	NON-ALLOWABLE EXPENSES	Amount	Refer- ence	OHF USE ONLY	
1	Day Care	\$		\$	1
2	Other Care for Outpatients				2
3	Governmental Sponsored Special Programs				3
4	Non-Patient Meals				4
5	Telephone, TV & Radio in Resident Rooms				5
6	Rented Facility Space				6
7	Sale of Supplies to Non-Patients				7
8	Laundry for Non-Patients				8
9	Non-Straightline Depreciation	(109,455)	30		9
10	Interest and Other Investment Income				10
11	Discounts, Allowances, Rebates & Refunds				11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax				13
14	Non-Care Related Interest				14
15	Non-Care Related Owner's Transactions				15
16	Personal Expenses (Including Transportation)				16
17	Non-Care Related Fees				17
18	Fines and Penalties				18
19	Entertainment				19
20	Contributions				20
21	Owner or Key-Man Insurance				21
22	Special Legal Fees & Legal Retainers				22
23	Malpractice Insurance for Individuals				23
24	Bad Debt				24
25	Fund Raising, Advertising and Promotional				25
26	Income Taxes and Illinois Personal Property Replacement Tax				26
27	Nurse Aide Training for Non-Employees				27
28	Yellow Page Advertising				28
29	Other-Attach Schedule				29
30	SUBTOTAL (A): (Sum of lines 1-29)	\$ (109,455)		\$	30

OHF USE ONLY							
48		49		50		51	

B. If there are expenses experienced by the facility which do not appear in the general ledger, they should be entered below.(See instructions.)

		1	2	
		Amount	Reference	
31	Non-Paid Workers-Attach Schedule*	\$		31
32	Donated Goods-Attach Schedule*			32
33	Amortization of Organization & Pre-Operating Expense			33
34	Adjustments for Related Organization Costs (Schedule VII)			34
35	Other- Attach Schedule			35
36	SUBTOTAL (B): (sum of lines 31-35)	\$		36
	(sum of SUBTOTALS			
37	TOTAL ADJUSTMENTS (A) and (B))	\$ (109,455)		37

*These costs are only allowable if they are necessary to meet minimum licensing standards. Attach a schedule detailing the items included on these lines.

C. Are the following expenses included in Sections A to D of pages 3 and 4? If so, they should be reclassified into Section E. Please reference the line on which they appear before reclassification. (See instructions.)

		1	2	3	4	
		Yes	No	Amount	Reference	
38	Medically Necessary Transport.		x	\$		38
39						39
40	Gift and Coffee Shops		x			40
41	Barber and Beauty Shops		x			41
42	Laboratory and Radiology		x			42
43	Prescription Drugs		x			43
44	Exceptional Care Program		x			44
45	Other-Attach Schedule					45
46	Other-Attach Schedule					46
47	TOTAL (C): (sum of lines 38-46)			\$		47

NON-ALLOWABLE EXPENSES		Amount	Sch. V Line Reference
1		\$	1
2			2
3			3
4			4
5			5
6			6
7			7
8			8
9			9
10			10
11			11
12			12
13			13
14			14
15			15
16			16
17			17
18			18
19			19
20			20
21			21
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26			26
27			27
28			28
29			29
30			30
31			31
32			32
33			33
34			34
35			35
36			36
37			37
38			38
39			39
40			40
41			41
42			42
43			43
44			44
45			45
46			46
47			47
48			48
49	Total	0	49

Summary A

06/30/02

SUMMARY OF PAGES 5, 5A, 6, 6A, 6B, 6C, 6D, 6E, 6F, 6G, 6H AND 6I

[illegible]

VII. RELATED PARTIES

A. Enter below the names of ALL owners and related organizations (parties) as defined in the instructions. Attach an additional schedule if necessary.

1 OWNERS		2 RELATED NURSING HOMES		3 OTHER RELATED BUSINESS ENTITIES		
Name	Ownership %	Name	City	Name	City	Type of Business
N/A	N/A	See Pages 24 & 25				

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth.

☐ YES☐ NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1		2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
Schedule V		Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization		
1	V		See Page 27	\$			\$	\$	1
2	V								2
3	V								3
4	V								4
5	V								5
6	V								6
7	V								7
8	V								8
9	V								9
10	V								10
11	V								11
12	V								12
13	V								13
14	Total			\$			\$	\$ *	14

* Total must agree with the amount recorded on line 34 of Schedule VI.

VII. RELATED PARTIES (continued)

C. Statement of Compensation and Other Payments to Owners, Relatives and Members of Board of Directors.

NOTE: ALL owners (even those with less than 5% ownership) and their relatives who receive any type of compensation from this home must be listed on this schedule.

	1 Name	2 Title	3 Function	4 Ownership Interest	5 Compensation Received From Other Nursing Homes*	6 Average Hours Per Work Week Devoted to this Facility and % of Total Work Week		7 Compensation Included in Costs for this Reporting Period**		8 Schedule V. Line & Column Reference	
						Hours	Percent	Description	Amount		
1	N/A								\$		1
2											2
3											3
4											4
5											5
6											6
7											7
8											8
9											9
10											10
11											11
12											12
13								TOTAL	\$ 0		13

* If the owner(s) of this facility or any other related parties listed above have received compensation from other nursing homes, attach a schedule detailing the name(s) of the home(s) as well as the amount paid. THIS AMOUNT MUST AGREE TO THE AMOUNTS CLAIMED ON THE THE OTHER NURSING HOMES' COST REPORTS.

** This must include all forms of compensation paid by related entities and allocated to Schedule V of this report (i.e., management fees). FAILURE TO PROPERLY COMPLETE THIS SCHEDULE INDICATING ALL FORMS OF COMPENSATION RECEIVED FROM THIS HOME, ALL OTHER NURSING HOMES AND MANAGEMENT COMPANIES MAY RESULT IN THE DISALLOWANCE OF SUCH COMPENSATION

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE

A. Interest: (Complete details must be provided for each loan - attach a separate schedule if necessary.)

	1	2		3	4	5	6	7	8	9	10	
	Name of Lender	Related**		Purpose of Loan	Monthly Payment Required	Date of Note	Amount of Note		Maturity Date	Interest Rate (4 Digits)	Reporting Period Interest Expense	
		YES	NO				Original	Balance				
	A. Directly Facility Related											
	Long-Term											
1	See Page 31				\$4,824.00		\$ 154,294	\$ 48,892			\$ 4,921	1
2												2
3												3
4												4
5												5
	Working Capital											
6	Amcore Bank N.A., Rockford		X	Line of Credit	N/A	06/20/02	500,000	500,000	01/10/03	4.7500	660	6
7												7
8												8
9	TOTAL Facility Related				\$4,824.00		\$ 654,294	\$ 548,892			\$ 5,581	9
	B. Non-Facility Related*											
10												10
11												11
12												12
13												13
14	TOTAL Non-Facility Related						\$	\$			\$	14
15	TOTALS (line 9+line14)						\$ 654,294	\$ 548,892			\$ 5,581	15

16) Please indicate the total amount of mortgage insurance expense and the location of this expense on Sch. V. \$ Line #

* Any interest expense reported in this section should be adjusted out on page 5, line 14 and, consequently, page 4, col. 7. (See instructions.)

** If there is ANY overlap in ownership between the facility and the lender, this must be indicated in column 2. (See instructions.)

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE (continued)

B. Real Estate Taxes

		Important , please see the next worksheet, "RE_Tax". The real estate tax statement and bill must accompany the cost report.			
1. Real Estate Tax accrual used on 2001 report.				\$	1
2. Real Estate Taxes paid during the year: (Indicate the tax year to which this payment applies. If payment covers more than one year, detail below.)				\$	2
3. Under or (over) accrual (line 2 minus line 1).				\$	3
4. Real Estate Tax accrual used for 2002 report. (Detail and explain your calculation of this accrual on the lines below.)				\$	4
5. Direct costs of an appeal of tax assessments which has NOT been included in professional fees or other general operating costs on Schedule V, sections A, B or C. (Describe appeal cost below. Attach copies of invoices to support the cost and a copy of the appeal filed with the county.)				\$	5
6. Subtract a refund of real estate taxes. You must offset the full amount of any direct appeal costs classified as a real estate tax cost plus one-half of any remaining refund. TOTAL REFUND \$ For Tax Year. (Attach a copy of the real estate tax appeal board's decision.)				\$	6
7. Real Estate Tax expense reported on Schedule V, line 33. This should be a combination of lines 3 thru 6.				\$	7
Real Estate Tax History:					
Real Estate Tax Bill for Calendar Year:		1997		8	
		1998		9	
		1999		10	
		2000		11	
		2001		12	
				13	FROM R. E. TAX STATEMENT FOR 2001 \$ 13
				14	PLUS APPEAL COST FROM LINE 5 \$ 14
				15	LESS REFUND FROM LINE 6 \$ 15
				16	AMOUNT TO USE FOR RATE CALCULATION \$ 16

- NOTES:
1. Please indicate a negative number by use of brackets(). Deduct any overaccrual of taxes from prior year.

2. If facility is a non-profit which pays real estate taxes, you must attach a denial of an application for real estate tax exemption unless the building is rented from a for-profit entity.
This denial must be no more than four years old at the time the cost report is filed.

IMPORTANT NOTICE

TO: Long Term Care Facilities with Real Estate Tax Rates RE: 2001 REAL ESTATE TAX COST DOCUMENTATION

In order to set the real estate tax portion of the capital rate, it is necessary that we obtain additional information regarding your calendar 2001 real estate tax costs, as well as copies of your real estate tax bills for calendar 2001.

Please complete the Real Estate Tax Statement below and forward with a copy of your 2001 real estate tax bill to the Department of Public Aid, Office of Health Finance, 201 South Grand Avenue East, Springfield, Illinois 62763.

Please send these items in with your completed 2002 cost report. The cost report will not be considered complete and timely filed until this statement and the corresponding real estate tax bills are filed. If you have any questions, please call the Office of Health Finance at (217) 782-1630.

2001 LONG TERM CARE REAL ESTATE TAX STATEMENT

FACILITY NAME Milestone-Elmwood Heights COUNTY Winnebago

FACILITY IDPH LICENSE NUMBER 0024943

CONTACT PERSON REGARDING THIS REPORT Hugh W. Lippitt

TELEPHONE (815) 654-6100 FAX #: (815) 654-6444

A. Summary of Real Estate Tax Cost

Enter the tax index number and real estate tax assessed for 2001 on the lines provided below. Enter only the portion of the cost that applies to the operation of the nursing home in Column D. Real estate tax applicable to any portion of the nursing home property which is vacant, rented to other organizations, or used for purposes other than long term care must not be entered in Column D. Do not include cost for any period other than calendar year 2001.

(A)	(B)	(C)	(D)
			<u>Tax</u>
<u>Tax Index Number</u>	<u>Property Description</u>	<u>Total Tax</u>	<u>Applicable to</u>
			<u>Nursing Home</u>
1. 107-504 A		\$	\$
2.		\$	\$
3.		\$	\$
4.		\$	\$
5.		\$	\$
6.		\$	\$
7.		\$	\$
8.		\$	\$
9.		\$	\$
10.		\$	\$
TOTALS		\$	\$

B. Real Estate Tax Cost Allocations

Does any portion of the tax bill apply to more than one nursing home, vacant property, or property which is not directly used for nursing home services? YES X NO

If YES, attach an explanation & a schedule which shows the calculation of the cost allocated to the nursing home. (Generally the real estate tax cost must be allocated to the nursing home based upon sq. ft. of space used.)

C. Tax Bills

Attach a copy of the 2001 tax bills which were listed in Section A to this statement. Be sure to use the 2001 tax bill which is normally paid during 2002.

X. BUILDING AND GENERAL INFORMATION:

A. Square Feet:

40,570

B. General Construction Type:

Exterior Brick

Frame Cement Block

Number of Stories

one

C. Does the Operating Entity?

☒ (a) Own the Facility

☐ (b) Rent from a Related Organization.

☐ (c) Rent from Completely Unrelated Organization.

(Facilities checking (a) or (b) must complete Schedule XI. Those checking (c) may complete Schedule XI or Schedule XII-A. See instructions.)

D. Does the Operating Entity?

☒ (a) Own the Equipment

☐ (b) Rent equipment from a Related Organization.

☐ (c) Rent equipment from Completely Unrelated Organization.

(Facilities checking (a) or (b) must complete Schedule XI-C. Those checking (c) may complete Schedule XI-C or Schedule XII-B. See instructions.)

E. List all other business entities owned by this operating entity or related to the operating entity that are located on or adjacent to this nursing home's grounds (such as, but not limited to, apartments, assisted living facilities, day training facilities, day care, independent living facilities, nurse aide training facilities, etc.) List entity name, type of business, square footage, and number of beds/units available (where applicable).

F. Does this cost report reflect any organization or pre-operating costs which are being amortized? ☐ YES ☒ NO
If so, please complete the following:

1. Total Amount Incurred:

2. Number of Years Over Which it is Being Amortized:

3. Current Period Amortization:

4. Dates Incurred:

Nature of Costs:
(Attach a complete schedule detailing the total amount of organization and pre-operating costs.)

XI. OWNERSHIP COSTS:

A. Land.					
	1 Use	2 Square Feet	3 Year Acquired	4 Cost	
1	Project Land	261,356	1978	\$ 105,000	1
2	Recreational Land	588,087	1978		2
3	TOTALS	849,443		\$ 105,000	3

	1 Beds*	FOR OHF USE ONLY	2 Year Acquired	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
4	84		1980	1979	\$ N/A	\$ 94,122	30	\$	\$ (94,122)	\$ N/A	4
5											5
6											6
7											7
8											8
	Improvement Type**										
9	Kitchen Design Plan			1978	550		5			550	9
10	Intercom System			1978	12,716		10			12,716	10
11	Door Locking System			1978	14,081		10			14,081	11
12	Floor Tile			1979	2,870		10			2,870	12
13	Landscaping			1980	25,659		5			25,659	13
14	Sign			1980	725		5			725	14
15	Chain Link Fence			1980	1,377		5			1,377	15
16	Landscaping			1980	4,071		5			4,071	16
17	Storage Building			1980	8,471		5			8,471	17
18	Landscaping			1981	595		5			595	18
19	Bike Path, Parking Lot, Basketball Court			1982	22,944		15			22,944	19
20	Parking Lot Repairs			1982	2,216		15			2,216	20
21	Room Remodeling			1983	4,312		10			4,312	21
22	Concrete slab for shelter			1984	6,751		15			6,751	22
23	Park Shelter			1984	13,058		15			13,058	23
24	Driveway Maintenance			1984	2,201		5			2,201	24
25	Sewer Repair			1984	1,195	60	20	60		1,051	25
26	Landscaping-Trees			1985	1,677		5			1,677	26
27	Landscaping-Plantscape			1986	4,117		10			4,117	27
28	Sidewalk concrete			1988	2,930	146	20	146		2,001	28
29	Sidewalk improvements			1990	5,490	275	20	275		3,363	29
30	Parking Lot			1990	3,097	220	15	220		2,566	30
31	Parking Lot Repairs			1991	2,430	162	15	162		1,782	31
32	Roof			1992	3,969	198	20	198		2,009	32
33	Outdoor Drinking Fountain			1982	1,998	100	20	100		1,008	33
34	Telephone System			1992	9,600	800	12	800		7,934	34
35	Roof Repairs			1993	6,965	348	20	348		3,047	35
36	Sump Pumps			1993	4,721	472	10	472		4,053	36

*Total beds on this schedule must agree with page 2.

**Improvement type must be detailed in order for the cost report to be considered complete.

See Page 12A, Line 70 for total

1	2	3	4	5	6	7	8	9	10
	Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
37	Furnace	1994	\$ 40,882	\$ 2,044	20	\$ 2,044	\$	\$ 15,679	37
38	Telephones	1994	3,111	259	12	259		2,010	38
39	Air Handler	1995	1,668	198	7	198		1,668	39
40	Above Ground Tank	1995	4,825	241	20	241		1,709	40
41	Concrete	1995	5,575	279	20	279		1,925	41
42	Furnace	1995	9,618	481	20	481		3,299	42
43	Roof	1995	1,290	65	20	65		436	43
44	Kitchen Sink	1995	1,300	65	20	65		434	44
45	Road Stone	1996	1,120		5			1,120	45
46	Air Conditioner	1996	2,476	124	20	124		712	46
47	Tile	1996	360	24	5	24		360	47
48	Sinks	1997	6,470	431	15	431		2,264	48
49	Flood Lights	1997	2,550	128	20	128		648	49
50	Air Conditioner	1997	4,055	203	20	203		1,031	50
51	Sidewalk	1997	6,691	335	20	335		1,673	51
52	Black Top Parking Lot	1997	85,125	5,675	15	5,675		28,375	52
53	Smoke Detectors	1997	16,100	1,073	15	1,073		5,188	53
54	Roof	1997	7,070	353	20	353		1,679	54
55	Counters	1997	3,706	247	15	247		1,132	55
56	Fire Alarm System	1998	3,660	183	20	183		808	56
57	Acoustical Ceiling	1998	1,650	82	20	83		365	57
58	Sidewalk Repair	1998	5,660	283	20	283		1,132	58
59	Duct Work	1998	1,017	51	20	51		204	59
60	Tile Repair	1998	650	130	5	130		520	60
61	Air Conditioner	1998	2,742	183	15	183		731	61
62	Carpet	1998	1,544	220	7	221		864	62
63	Driveway Repairs	1998	2,372	158	15	158		606	63
64	Roof	1998	2,000	100	20	100		375	64
65	Dry Valve	1998	1,540	154	10	154		577	65
66	Roof	1999	5,970	299	20	299		1,045	66
67	Dry Valve	1999	1,815	182	10	182		514	67
68	Tile	1999	2,600	520	5	520		1,343	68
69	Acoustical Ceiling	2000	6,750	338	20	338		701	69
70	TOTAL (lines 4 thru 69)		\$ 414,748	\$ 112,011		\$ 17,891	\$ (94,122)	\$ 238,332	70

**Improvement type must be detailed in order for the cost report to be considered complete.

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

1	2	3	4	5	6	7	8	9	
	Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
1	Totals from Page 12A, Carried Forward		\$ 414,748	\$ 112,011		\$ 17,891	\$ (94,122)	\$ 238,332	1
2	Carpet	2000	12,538	2,508	5	2,508		4,535	2
3	Counter Tops	2000	1,622	108	15	108		180	3
4	Automatic Doors	2002	4,148	415	5	415		3,733	4
5	Tile	2002	2,760	230	5	230		230	5
6	Water Heater	2002	4,200	175	10	175		175	6
7	Water Heater	2002	8,135	335	5	335		335	7
8	Carpet	2002	2,232		5				8
9	Capital Grant Building	1996		970	15		(970)		9
10	Allocated Maintenance Building			2,031		2,031			10
11									11
12									12
13									13
14									14
15									15
16									16
17									17
18									18
19									19
20									20
21									21
22									22
23									23
24									24
25									25
26									26
27									27
28									28
29									29
30									30
31									31
32									32
33									33
34	TOTAL (lines 1 thru 33)		\$ 450,383	\$ 118,783		\$ 23,693	\$ (95,092)	\$ 247,520	34

**Improvement type must be detailed in order for the cost report to be considered complete.

XI. OWNERSHIP COSTS (continued)

C. Equipment Depreciation-Excluding Transportation. (See instructions.)

	Category of Equipment	1 Cost	Current Book Depreciation 2	Straight Line Depreciation 3	4 Adjustments	Component Life 5	Accumulated Depreciation 6	
71	Purchased in Prior Years	\$ 376,252	\$ 49,127	\$ 42,264	\$ (6,863)	5-15 yrs	\$ 203,790	71
72	Current Year Purchases	59,315	5,541	5,541		5-15 yrs	5,541	72
73	Fully Depreciated Assets	293,455				5-15 yrs	293,455	73
74	Allocated Computer System	N/A	5,739	5,739			N/A	74
75	TOTALS	\$ 729,022	\$ 60,407	\$ 53,544	\$ (6,863)		\$ 502,786	75

D. Vehicle Depreciation (See instructions.)*

	1 Use	Model, Make and Year 2	Year Acquired 3	4 Cost	Current Book Depreciation 5	Straight Line Depreciation 6	7 Adjustments	Life in Years 8	Accumulated Depreciation 9	
76	See Page 30			\$	\$	\$	\$		\$	76
77										77
78										78
79										79
80	TOTALS			\$ 313,538	\$ 46,978	\$ 39,478	\$ (7,500)		\$ 259,659	80

E. Summary of Care-Related Assets

	1	2	
	Reference	Amount	
81	Total Historical Cost (line 3, col.4 + line 70, col.4 + line 75, col.1 + line 80, col.4) + (Pages 12B thru 12I, if applicable)	\$ 1,597,943	81
82	Current Book Depreciation (line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	\$ 226,168	82
83	Straight Line Depreciation (line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	\$ 116,715	83
84	Adjustments (line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	\$ (109,455)	84
85	Accumulated Depreciation (line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	\$ 1,009,965	85

F. Depreciable Non-Care Assets Included in General Ledger. (See instructions.)

	1 Description & Year Acquired	2 Cost	Current Book Depreciation 3	Accumulated Depreciation 4	
86		\$	\$	\$	86
87					87
88					88
89					89
90					90
91	TOTALS	\$	\$	\$	91

G. Construction-in-Progress

	Description	Cost	
92		\$	92
93			93
94			94
95		\$	95

* Vehicles used to transport residents to & from day training must be recorded in XI-F, not XI-D.

** This must agree with Schedule V line 30, column 8.

XII. RENTAL COSTS

A. Building and Fixed Equipment (See instructions.)

1. Name of Party Holding Lease: N/A
2. Does the facility also pay real estate taxes in addition to rental amount shown below on line 7, column 4?
If NO, see instructions. YES NO

		1 Year Constructed	2 Number of Beds	3 Date of Lease	4 Rental Amount	5 Total Years of Lease	6 Total Years Renewal Option*	
3	Original Building:				\$			3
4	Additions							4
5								5
6								6
7	TOTAL				\$			7

8. List separately any amortization of lease expense included on page 4, line 34.
This amount was calculated by dividing the total amount to be amortized
by the length of the lease .
9. Option to Buy: YES NO Terms: *

B. Equipment-Excluding Transportation and Fixed Equipment. (See instructions.)

15. Is Movable equipment rental included in building rental? YES NO
16. Rental Amount for movable equipment: \$ 1,038 Description: Copier Machine
(Attach a schedule detailing the breakdown of movable equipment)

C. Vehicle Rental (See instructions.)

	1 Use	2 Model Year and Make	3 Monthly Lease Payment	4 Rental Expense for this Period	
17	Program	2002 Buick	\$ 611.00	\$ 6,392	17
18					18
19					19
20					20
21	TOTAL		\$ 611.00	\$ 6,392	21

10. Effective dates of current rental agreement:
Beginning
Ending
11. Rent to be paid in future years under the current rental agreement:

Fiscal Year Ending	Annual Rent
12. /2003	\$
13. /2004	\$
14. /2005	\$

* If there is an option to buy the building, please provide complete details on attached schedule.

** This amount plus any amortization of lease expense must agree with page 4, line 34.

A. TYPE OF TRAINING PROGRAM (If aides are trained in another facility program, attach a schedule listing the facility name, address and cost per aide trained in that facility.)

1. HAVE YOU TRAINED AIDES DURING THIS REPORT PERIOD?	<input checked="" type="checkbox"/> YES	2. CLASSROOM PORTION:	3. CLINICAL PORTION:
If "yes", please complete the remainder of this schedule. If "no", provide an explanation as to why this training was not necessary.	<input type="checkbox"/> NO	IN-HOUSE PROGRAM	IN-HOUSE PROGRAM
		IN OTHER FACILITY	IN OTHER FACILITY
		COMMUNITY COLLEGE	HOURS PER AIDE
		HOURS PER AIDE	

B. EXPENSES

ALLOCATION OF COSTS (d)

		Facility		Contract	Total
		Drop-outs	Completed		
1	Community College Tuition	\$	\$	\$	\$
2	Books and Supplies				
3	Classroom Wages (a)	13,357	28,665		42,022
4	Clinical Wages (b)	27,728	54,651		82,379
5	In-House Trainer Wages (c)	3,166	6,378		9,544
6	Transportation				
7	Contractual Payments				
8	Nurse Aide Competency Tests				
9	TOTALS	\$ 44,251	\$ 89,694	\$	\$ 133,945
10	SUM OF line 9, col. 1 and 2 (e)	\$ 133,945			

C. CONTRACTUAL INCOME

In the box below record the amount of income your facility received training aides from other facilities.

\$

D. NUMBER OF AIDES TRAINED

COMPLETED	
1. From this facility	97
2. From other facilities (f)	
DROP-OUTS	
1. From this facility	117
2. From other facilities (f)	
TOTAL TRAINED	214

- (a) Include wages paid during the classroom portion of training. Do not include fringe benefits.
- (b) Include wages paid during the clinical portion of training. Do not include fringe benefits.
- (c) For in-house training programs only. Do not include fringe benefits.
- (d) Allocate based on if the aide is from your facility or is being contracted to be trained in your facility. Drop-out costs can only be for costs incurred by your own aides.
- (e) The total amount of Drop-out and Completed Costs for your own aides must agree with Sch. V, line 13, col. 8.
- (f) Attach a schedule of the facility names and addresses of those facilities for which you trained aides.

XIV. SPECIAL SERVICES (Direct Cost) (See instructions.)

		1	2	3	4	5	6	7	8	
	Service	Schedule V Line & Column Reference	Staff		Outside Practitioner (other than consultant)		Supplies (Actual or Allocated)	Total Units (Column 2 + 4)	Total Cost (Col. 3 + 5 + 6)	
			Units of Service	Cost	Units	Cost				
1	Licensed Occupational Therapist		hrs	\$		\$	\$		\$	1
2	Licensed Speech and Language Development Therapist		hrs							2
3	Licensed Recreational Therapist		hrs							3
4	Licensed Physical Therapist		hrs							4
5	Physician Care		visits							5
6	Dental Care		visits							6
7	Work Related Program		hrs							7
8	Habilitation		hrs							8
9	Pharmacy		# of prescripts							9
10	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)		hrs							10
11	Academic Education		hrs							11
12	Exceptional Care Program									12
13	Other (specify):									13
14	TOTAL			\$		\$	\$		\$	14

NOTE: This schedule should include fees (other than consultant fees) paid to licensed practitioners. Consultant fees should be detailed on Schedule XVIII-B. Salaries of unlicensed practitioners, such as nurse aides, who help with the above activities should not be listed on this schedule.

		1 Operating	2 After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	\$ 1,900	\$ 313,607	1
2	Cash-Patient Deposits	32,915	131,933	2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance)	1,335,648	3,833,699	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance		1,995	6
7	Other Prepaid Expenses		27,861	7
8	Accounts Receivable (owners or related parties)			8
9	Other(specify): <u>Other A/R</u>		39,132	9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 1,370,463	\$ 4,348,227	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land	151,429	1,325,599	13
14	Buildings, at Historical Cost	3,288,595	13,935,679	14
15	Leasehold Improvements, at Historical Cost			15
16	Equipment, at Historical Cost	1,399,736	4,815,964	16
17	Accumulated Depreciation (book methods)	(3,440,003)	(9,652,742)	17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs	81,448	121,401	19
20	Accumulated Amortization - Organization & Pre-Operating Costs	(81,448)	(115,122)	20
21	Restricted Funds		699,775	21
22	Other Long-Term Assets (spe <u>Escrow&Loan Fees</u>		744,160	22
23	Other(specify): <u>Construction in Progress</u>		167,936	23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 1,399,757	\$ 12,042,650	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 2,770,220	\$ 16,390,877	25

		1 Operating	2 After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 20,000	\$ 574,581	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits	32,915	131,933	28
29	Short-Term Notes Payable	526,867	712,313	29
30	Accrued Salaries Payable		442,517	30
31	Accrued Taxes Payable (excluding real estate taxes)		172,381	31
32	Accrued Real Estate Taxes(Sch.IX-B)		473	32
33	Accrued Interest Payable	660	113,675	33
34	Deferred Compensation			34
35	Federal and State Income Taxes			35
	Other Current Liabilities(specify):			
36	<u>Pension, Wrkmns Comp, Sec Dep, etc</u>		493,328	36
37	<u>Intercompany A/P</u>	2,320,458		37
38	TOTAL Current Liabilities (sum of lines 26 thru 37)	\$ 2,900,900	\$ 2,641,201	38
	D. Long-Term Liabilities			
39	Long-Term Notes Payable	22,025	236,586	39
40	Mortgage Payable		3,759,421	40
41	Bonds Payable		3,725,000	41
42	Deferred Compensation			42
	Other Long-Term Liabilities(specify):			
43				43
44				44
45	TOTAL Long-Term Liabilities (sum of lines 39 thru 44)	\$ 22,025	\$ 7,721,007	45
46	TOTAL LIABILITIES (sum of lines 38 and 45)	\$ 2,922,925	\$ 10,362,208	46
47	TOTAL EQUITY(page 18, line 24)	\$ (152,705)	\$ 6,028,669	47
48	TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)	\$ 2,770,220	\$ 16,390,877	48

*(See instructions.)

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	Balance at Beginning of Year, as Previously Reported	\$ 469,263	1
2	Restatements (describe):		2
3			3
4			4
5			5
6	Balance at Beginning of Year, as Restated (sum of lines 1-5)	\$ 469,263	6
	A. Additions (deductions):		
7	NET Income (Loss) (from page 19, line 43)	(621,968)	7
8	Aquisitions of Pooled Companies		8
9	Proceeds from Sale of Stock		9
10	Stock Options Exercised		10
11	Contributions and Grants		11
12	Expenditures for Specific Purposes		12
13	Dividends Paid or Other Distributions to Owners	()	13
14	Donated Property, Plant, and Equipment		14
15	Other (describe)		15
16	Other (describe)		16
17	TOTAL Additions (deductions) (sum of lines 7-16)	\$ (621,968)	17
	B. Transfers (Itemize):		
18			18
19			19
20			20
21			21
22			22
23	TOTAL Transfers (sum of lines 18-22)	\$	23
24	BALANCE AT END OF YEAR (sum of lines 6 + 17 + 23)	\$ (152,705)	24 *

* This must agree with page 17, line 47.

XVII. INCOME STATEMENT (attach any explanatory footnotes necessary to reconcile this schedule to Schedules V and VI.) All required classifications of revenue and expense must be provided on this form, even if financial statements are attached.
Note: This schedule should show gross revenue and expenses. Do not net revenue against expense.

1			
	Revenue	Amount	
	A. Inpatient Care		
1	Gross Revenue -- All Levels of Care	\$ 4,884,122	1
2	Discounts and Allowances for all Levels	()	2
3	SUBTOTAL Inpatient Care (line 1 minus line 2)	\$ 4,884,122	3
	B. Ancillary Revenue		
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy		6
7	Oxygen		7
8	SUBTOTAL Ancillary Revenue (lines 4 thru 7)	\$	8
	C. Other Operating Revenue		
9	Payments for Education		9
10	Other Government Grants		10
11	Nurses Aide Training Reimbursements	156,564	11
12	Gift and Coffee Shop		12
13	Barber and Beauty Care		13
14	Non-Patient Meals		14
15	Telephone, Television and Radio		15
16	Rental of Facility Space		16
17	Sale of Drugs		17
18	Sale of Supplies to Non-Patients		18
19	Laboratory		19
20	Radiology and X-Ray		20
21	Other Medical Services		21
22	Laundry		22
23	SUBTOTAL Other Operating Revenue (lines 9 thru 22)	\$ 156,564	23
	D. Non-Operating Revenue		
24	Contributions		24
25	Interest and Other Investment Income***		25
26	SUBTOTAL Non-Operating Revenue (lines 24 and 25)	\$	26
	E. Other Revenue (specify):****		
27	Settlement Income (Insurance, Legal, Etc.)		27
28	<u>Gain on Sale of Fixed Assets & Equipment</u>	12,862	28
28a			28a
29	SUBTOTAL Other Revenue (lines 27, 28 and 28a)	\$ 12,862	29
30	TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)	\$ 5,053,548	30

2			
	Expenses	Amount	
	A. Operating Expenses		
31	General Services	1,172,146	31
32	Health Care	2,879,204	32
33	General Administration	1,088,918	33
	B. Capital Expense		
34	Ownership	239,180	34
	C. Ancillary Expense		
35	Special Cost Centers		35
36	Provider Participation Fee	296,068	36
	D. Other Expenses (specify):		
37			37
38			38
39			39
40	TOTAL EXPENSES (sum of lines 31 thru 39)*	\$ 5,675,516	40
41	Income before Income Taxes (line 30 minus line 40)**	(621,968)	41
42	Income Taxes		42
43	NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)	\$ (621,968)	43

* This must agree with page 4, line 45, column 4.

** Does this agree with taxable income (loss) per Federal Income Tax Return? No If not, please attach a reconciliation. See Page 28

*** See the instructions. If this total amount has not been offset against interest expense on Schedule V, line 32, please include a detailed explanation.

****Provide a detailed breakdown of "Other Revenue" on an attached sheet.

Facility Name & ID Number	Milestone-Elmwood Heights
--------------------------------------	----------------------------------

XIX. SUPPORT SCHEDULES

A. Administrative Salaries				D. Employee Benefits and Payroll Taxes				F. Dues, Fees, Subscriptions and Promotions			
Name	Function	%	Amount	Description		Amount	Description		Amount		
Linda Thornbloom	Administrator	0	\$ 56,104	Workers' Compensation Insurance		\$ 46,192	IDPH License Fee		\$ 0		
				Unemployment Compensation Insurance		12,938	Advertising: Employee Recruitment		38,077		
				FICA Taxes		219,644	Health Care Worker Background Check		2,112		
				Employee Health Insurance		245,222	(Indicate # of checks performed _____)				
				Employee Meals		0	Dues		35		
				Illinois Municipal Retirement Fund (IMRF)*		0	Fees		1,322		
				Employee Assistance Program		659	Subscriptions		96		
				Pension		33,413	Books & Periodicals		1,293		
				Employee Physical Exams		4,008					
				Applicant Referral Expense		1,492					
				Other Employee Benefits		9,005					
TOTAL (agree to Schedule V, line 17, col. 1)							Less: Public Relations Expense		()		
(List each licensed administrator separately.)			\$ 56,104				Non-allowable advertising		()		
B. Administrative - Other							Yellow page advertising		()		
Description			Amount				TOTAL (agree to Sch. V, line 20, col. 8)			\$ 42,935	
Administrator			\$ 53,033								
Assistant Administrator			23,356								
Accountant			29,301								
Secretary			10,173								
TOTAL (agree to Schedule V, line 17, col. 3)			\$ 115,863								
(Attach a copy of any management service agreement)											
C. Professional Services							G. Schedule of Travel and Seminar**				
Vendor/Payee	Type		Amount	Description		Line #	Amount	Description		Amount	
John Ryan & Assoc.	Administrative		\$ 8,400					Out-of-State Travel		\$	
Various	Computer/Programming		1,804								
Hinshaw & Culbertson	Legal Fees		28,955								
Lindgren, Callihan	Audit		8,494					In-State Travel			
								Seminar Expense		12,890	
								See Pages 26-26C			
								Entertainment Expense		()	
TOTAL (agree to Schedule V, line 19, column 3)				TOTAL			\$ 0	(agree to Sch. V, line 24, col. 8)			
(If total legal fees exceed \$2500 attach copy of invoices.)			\$ 47,653					TOTAL		\$ 12,890	

*** Attach copy of IMRF notifications**

****See instructions.**

(See instructions.)

[illegible]

Facility Name & ID Number Milestone-Elmwood Heights

0024943

Report Period Beginning: 07/01/01

Ending: 06/30/02

XX. GENERAL INFORMATION:

- (1) Are nursing employees (RN,LPN,NA) represented by a union? No
- (2) Are there any dues to nursing home associations included on the cost report? No
If YES, give association name and amount. _____
- (3) Did the nursing home make political contributions or payments to a political action organization? No If YES, have these costs been properly adjusted out of the cost report? _____
- (4) Does the bed capacity of the building differ from the number of beds licensed at the end of the fiscal year? yes If YES, what is the capacity? 84
- (5) Have you properly capitalized all major repairs and equipment purchases? Yes
What was the average life used for new equipment added during this period? 5-10 years
- (6) Indicate the total amount of both disposable and non-disposable diaper expense and the location of this expense on Sch. V. \$ N/A Line _____
- (7) Have all costs reported on this form been determined using accounting procedures consistent with prior reports? Yes If NO, attach a complete explanation. _____
- (8) Are you presently operating under a sale and leaseback arrangement? No
If YES, give effective date of lease. _____
- (9) Are you presently operating under a sublease agreement? _____ YES X NO
- (10) Was this home previously operated by a related party (as is defined in the instructions for Schedule VII)? YES _____ NO X If YES, please indicate name of the facility, IDPH license number of this related party and the date the present owners took over. _____
- (11) Indicate the amount of the Provider Participation Fees paid and accrued to the Department of Public Aid during this cost report period. \$ 296,068
This amount is to be recorded on line 42 of Schedule V.
- (12) Are there any salary costs which have been allocated to more than one line on Schedule V for an individual employee? No If YES, attach an explanation of the allocation. _____
- (13) Have costs for all supplies and services which are of the type that can be billed to the Department of Public Aid, in addition to the daily rate, been properly classified in the Ancillary Section of Schedule V? Yes
- (14) Is a portion of the building used for any function other than long term care services for the patient census listed on page 2, Section B? No For example, is a portion of the building used for rental, a pharmacy, day care, etc.) If YES, attach a schedule which explains how all related costs were allocated to these functions.
- (15) Indicate the cost of employee meals that has been reclassified to employee benefits on Schedule V. \$ N/A Has any meal income been offset against related costs? _____ Indicate the amount. \$ _____
- (16) Travel and Transportation
a. Are there costs included for out-of-state travel? Yes
If YES, attach a complete explanation.
b. Do you have a separate contract with the Department to provide medical transportation for residents? No If YES, please indicate the amount of income earned from such a program during this reporting period. \$ _____
c. What percent of all travel expense relates to transportation of nurses and patients? 100%
d. Have vehicle usage logs been maintained? Yes
e. Are all vehicles stored at the nursing home during the night and all other times when not in use? No - See Page 29
f. Has the cost for commuting or other personal use of autos been adjusted out of the cost report? Yes
g. Does the facility transport residents to and from day training? No
Indicate the amount of income earned from providing such transportation during this reporting period. \$ _____
- (17) Has an audit been performed by an independent certified public accounting firm? Yes
Firm Name: Lindgren, Callihan, VanOsdol Ltd. The instructions for the cost report require that a copy of this audit be included with the cost report. Has this copy been attached? Yes If no, please explain. _____
- (18) Have all costs which do not relate to the provision of long term care been adjusted out of Schedule V? Yes
- (19) If total legal fees are in excess of \$2500, have legal invoices and a summary of services performed been attached to this cost report? Yes
Attach invoices and a summary of services for all architect and appraisal fees.

MILESTONE, INC.-Elmwood Heights # 0024943
SCHEDULE VII-A: BOARD MEMBER LISTING
FISCAL YEAR 2002
07/01/01 THRU 06/30/02

<u>NAME</u>	<u>TITLE</u>	<u>TYPE OF SERVICE PROVIDED TO FACILITY</u>	<u>OWNERSHIP INTEREST IN</u>
Patrick Agnew	Director	Legal	Agnew Law Office
Ronald Alden	Director	Pension Accounting	McGladrey & Pullen
George Bass	Director	Insurance	Country Companies
Judy Beall	Honorary Director	N/A	
Dot Bowers	Honorary Director	N/A	
Lyla DeVerdi	Director	N/A	
Eric Ekstrom	Honorary Director	N/A	
Alan Furman	Treasurer	N/A	
James Hamilton	President & C.E.O.	Administrative Services	
Peggy Hanson	Director	N/A	
Jack Kieckhefer	Director	Insurance	Kieckhefer & Nelson
Russell Malueg	Director	N/A	
Rick Powell	Director	N/A	
David Raht	Chairperson	Insurance	Williams Manny
Matt Ripplinger	Director	Insurance	Broadmoor Agency
Tom Sandquist	Secretary	N/A	
Shawn Way	Vice Chairperson	Banking	Amcore Bank Rockford
Audrey Wickstrand	Director	N/A	

MILESTONE, INC. - Elmwood Heights #0024943
SCHEDULE VII-A: RELATED PARTIES
FISCAL YEAR 2002
07/01/01 THRU 06/30/02

<u>MILESTONE, INC.</u>	<u>RESIDENTIAL BEDS</u>	<u>CITY</u>	<u>TYPE OF BUSINESS</u>
Central Office	N/A	Rockford	Central Office
Elmwood Heights	84	Rockford	ICF/MR-SLC
Elmwood East	12	Rockford	ICF/DD<16 & Fewer
Searles	12	Rockford	ICF/DD<16 & Fewer
Sun Valley	8	Rockford	ICF/DD<16 & Fewer
Javelin I	8	Rockford	C.R.A. - Waiver
Applewood	8	Loves Park	C.R.A. - Waiver/C.I.L.A. Services
Belvidere	8	Belvidere	C.R.A. - Waiver/C.I.L.A. Services
Orchard	8	Rockford	C.R.A. - Waiver
Training Center	N/A	Rockford	Developmental Training
Industries	N/A	Loves Park	Developmental Training
RocVale Childrens Home	50	Rockford	Child Care Institute/DCFS
S.L.A.	N/A	Rockford	Client & Family Support
Dierks	8	Rockford	C.I.L.A. Services
C.I.L.A.	N/A	Rockford	C.I.L.A. Services
Windcloud	5	Rockford	C.I.L.A. Services
Prospect	4	Rockford	C.I.L.A. Services
Hanford	5	Rockford	C.I.L.A. Services
Rural	5	Rockford	C.I.L.A. Services
Flintridge	5	Rockford	C.I.L.A. Services
Old Golf	4	Loves Park	C.I.L.A. Services
Creekside	4	Rockford	C.I.L.A. Services
Village Ct. *	4	Rockford	C.I.L.A. Services
Javelin II	4	Rockford	C.I.L.A. Services
Windpoint	5	Rockford	C.I.L.A. Services
Riverside	5	Rockford	C.I.L.A. Services
Weymouth **	4	Rockford	C.I.L.A. Services
Fleetwood	4	Rockford	C.I.L.A. Services
Stornway	5	Rockford	C.I.L.A. Services
Shiloh	4	Rockford	C.I.L.A. Services
Black Oak	4	Rockford	C.I.L.A. Services
Donna Drive	8	Rockford	C.I.L.A. Services
Respite Services	N/A	Rockford	Respite Services
Sawgrass	6	Rockford	C.I.L.A. Services
Crested Butte	6	Rockford	C.I.L.A. Services
Dental Program	N/A	Rockford	Dental Services
Thyme	5	Rockford	C.I.L.A. Services
Tulip	5	Rockford	C.I.L.A. Services
Packard	5	Rockford	C.I.L.A. Services
Country Club	5	Rockford	C.I.L.A. Services
Arlington***	6	Rockford	C.I.L.A. Services
HUD Project #071-EH003	N/A	Rockford	Housing
HUD Project #071-EH059	N/A	Rockford	Housing
HUD Project #071-EH178	N/A	Rockford	Housing
Bingo & Pull Tabs	N/A	Rockford	Bingo & Pull Tabs

* Closed 01/15/02

** Closed 01/17/02

*** Closed 03/07/02

MILESTONE, INC.-Elmwood Heights #0024943
SCHEDULE OF TRAVEL & SEMINAR EXPENSE

<u>EMPLOYEE NAME</u>	<u>JOB TITLE</u>	<u>DATES</u>	<u>SEMINAR LOCATION</u>	<u>SEMINAR TITLE</u>	<u>SEMINAR SPONSOR</u>	<u>CHECK #</u>	<u>COST</u>
Carol Bachhuber Linda Thornbloom Sandy Ginger	V.P. of Prog. Serv. QMRP(Adm.) DON	2/14/2002	Lisle, IL	A timely conference on IOC's for nursing home administrators and directors of nursing.	Illinois Nursing Home Administrators Ass.	74131	510.00
Cheri Pruitt Linda Joseph Susan De Guide Sandy Ginger	LPN LPN Medical Director DON	3/12/2002	Willowbrook, IL	Healthy Lifestyles	The Arc of Illinois	75038, 74606	380.00
Linda Thornbloom Marie Ware	QMPR(Adm.) QMRP	1/15/2002	Naperville, IL	John O'Brien	The Arc of Illinois	74097, 75345	521.33
Joanna Grahn	Res. Prog. Dir.	8/17/2001 6/6/2001	Rockford, IL	Beginning Spanish World Religions Environmental Science & Lab	Rock Valley College	74514, 74127 74250, 76900	477.00
Lisa Fonda	Team Leader	8/26/2001	Rockford, IL	Experimental Psychology Psyc Tests & Measurement	Rockford College	74506, 73896	344.00
Linda Willstead	ADON	12/4/2001	Peoria, IL	Tardive Dyskinesia Rater Training	Department of Human Services	74042	86.97
Terrie Sharp	Bus. Asst.	4/20/2001	Rockford, IL	Intro to Dance Senior Seminar L.D. Characteristics	Rockford College	74568, 73961	301.00
Dana Harman	QMRP	3/1/2002	Rockford, IL	The Managing Unacceptable Worker Behavior	Skillpath Seminars	74178	149.00
Kris Person Lori Krull	QMRP QMRP	11/7/2001	Rockford, IL	Working Together To Support Children With Autism	The Northwestern Illinois Association	72162	60.00

MILESTONE, INC.-Elmwood Heights #0024943
SCHEDULE OF TRAVEL & SEMINAR EXPENSE

<u>EMPLOYEE NAME</u>	<u>JOB TITLE</u>	<u>DATES</u>	<u>SEMINAR LOCATION</u>	<u>SEMINAR TITLE</u>	<u>SEMINAR SPONSOR</u>	<u>CHECK #</u>	<u>COST</u>
Linda Thornbloom	QMRP(Adm.)	2/6/2001	Naperville, IL	Abuse & Neglect Detection and Prevention	OCC	74053	90.00
Erik Larson	QMRP	4/6/2002	Rockford, IL	An Instructor Course to Teach CPR & First Aid	American Red Cross	74485, 75675	168.00
Yvonne Alaxander		4/13/2002 4/20/2002					
Sandy Ginger	DON	1/30/2002	Schaumburg, IL	OSHA and the Medical Industry: A Compliance Update	Amai/Keye Productivity	73736	195.00
Dana Harmon	QMRP	4/26/2002	Peoria, IL	Psychosocial and Medical Issues for Adults with Down Syndrome	Community Education	75429	250.00
Julie Meyer	QMRP						
Peggy Jones	LPN						
Yolanda Washington	QMRP						
Cheri Pruitt	LPN						
Julie Meyer	QMRP	6/6/2002	Rockford, IL	Supporting a Racially Diverse and Immigrant Workforce	Community Education	75580, 76747	448.00
Linda Thornbloom	QMRP(Adm.)						
Darius Copeland	QMRP						
Ken White	QMRP						
Erik Larson	QMRP						
Marie Ware	QMRP	3/21/2002	Davenport, IA	Developmental Disabilities Workshop	Focus Teaching Systems	75447	258.00
Julie Meyer	QMRP						
Melody Mills	Adm. Asst.	3/11/2002	Rockford, IL	Excel 2000 - Level 1 class	New Horizons	75353	450.00
Stacie McGaw	Prog. Asst.	3/20/2002		Excel 2000 - Level 3 class			
Linda Joseph	LPN	5/4/2002	St. Louis, MS	D.D.N.A. 2002 + One Day Pre-Conference	D.D.N.A.	76171 77275	1,396.97
Dixie Johnson	RN	5/5/2002					
Linda Hoffman	LPN	5/6/2002					
Cheri Pruitt	LPN	5/7/2002					

MILESTONE, INC.-Elmwood Heights #0024943
SCHEDULE OF TRAVEL & SEMINAR EXPENSE

<u>EMPLOYEE NAME</u>	<u>JOB TITLE</u>	<u>DATES</u>	<u>SEMINAR LOCATION</u>	<u>SEMINAR TITLE</u>	<u>SEMINAR SPONSOR</u>	<u>CHECK #</u>	<u>COST</u>
Alex Ariri	Technician	6/6/2002	Rockford, IL	Composition I, Nursing Aide College Algebra	Rock Valley College	76856	396.00
Sandy Ginger	DON	6/6/2002	Malta, IL	Sign Language I, II, III	Kishwaukee College	77145	132.00
Sarah Betancourt	Technician	5/9/2002 5/30/2002	Rockford, IL	Elementary Algebra, Composition I General Psychology	Rock Valley College	76362 76753	484.00
Peggy Jones Linda Willstead	RN ADON	5/29/2002 5/30/2002 5/31/2002	Springfield, IL	Clinical Update Conference	SIU School of Medicine	76326 77275	373.43
Linda Willstead Sandy Ginger	ADON DON	6/10/2002	Rockford, IL	Nursing Law 2002	Southwest Seminars	76725	98.00
Lauri Krull Julie Meyer Joanna Grahn	QMRP QMRP Res. Prog. Dir.	5/14/2002	Tinley Park, IL	The Real Rain Man-Autism	The Arc of Illinois	76242	285.00
Darius Copeland Marchell Bray Dana Stone Theresa Quattlebaum	QMRP QMRP QMRP QMRP	4/23/2002	Rockford, IL	Supervision Seminar	American Management Ass.	76685	767.70
Marie Ware Linda Thornbloom Joanna Grahn	Res. Director QMRP(Adm.) Res. Prog. Dir.	5/30/2002	Tinley Park, IL	Surviving The DPH Survey	ICAN	76784	432.00
Charu Chitale-Menon	Food Service Dir.	8/17/2001	Rockford, IL	Weight Management for Teens Food Service Cost Containment	Nutrition Dimension, Inc.	72417	108.00

MILESTONE, INC.-Elmwood Heights #0024943
SCHEDULE OF TRAVEL & SEMINAR EXPENSE

<u>EMPLOYEE NAME</u>	<u>JOB TITLE</u>	<u>DATES</u>	<u>SEMINAR LOCATION</u>	<u>SEMINAR TITLE</u>	<u>SEMINAR SPONSOR</u>	<u>CHECK #</u>	<u>COST</u>
Joanna Grahm Julie Myer	Res. Prog. Dir.	8/6/02 thru 8/9/02	Snowbird, UT	QMRP Conference	National Association of QMRP's	77842	1,298.62
Charu Chitale-Menon Diana Stralow	Food Service Dir. Cook Supervisor	7/23/02	Chicago, IL	Real Food For Real People	Illinois Department on Aging	77401	70.00
James Hamilton	President & C.E.O.	7/11/01 8/3/01 8/15/01 9/5/01 9/16/01 10/6/01 10/10/01 12/12/01 2/22/02 5/23/02 6/15/02 6/27/02	Chicago, IL Peoria, IL Chicago, IL Springfield, IL Chicago, IL Springfield, IL Chicago, IL Chicago, IL Springfield, IL Chicago, IL Springfield, IL Chicago, IL	Meals and Lodging for Conference Meals and Lodging for Conference Meals and Lodging for Conference Meals and Lodging for Conference Meals and Lodging for Conference Meals and Lodging for Conference Meals and Lodging for Conference Meals and Lodging for Conference Meals and Lodging for Conference Meals and Lodging for Conference Meals and Lodging for Conference Meals and Lodging for Conference		71768 71768 72417 72417 72943 72943 73573 74681 75617 77275 77842 77842	232.37 99.24 182.37 151.14 194.70 267.11 193.60 194.35 179.82 190.86 243.79 240.49
						TOTAL	<u>\$ 12,889.86</u>

RECLASSIFICATION - SCHEDULE V. COLUMN 5
Milestone, Inc. - ELMWOOD HEIGHTS # 0024943
FISCAL YEAR 2002

SCHEDULE

V

Line #	Title	Amount
17	Administrative	(39,474.00)
21	Clerical	<u>39,474.00</u>
		<u>0</u>

To reclassify accountant's & secretary's wages and payroll taxes on administrative personnel purchased at cost from Milestone Foundation, Inc.

30	Depreciation	5,739.00
35	Equipment Rent	<u>(5,739.00)</u>
		<u>0</u>

To reclassify rental of Computer from Milestone, Inc. Central Office.

30	Depreciation	2,031.00
36	Rent-Maintenance Building	<u>(2,031.00)</u>
		<u>0</u>

To reclassify rental of Maintenance Building from Milestone, Inc. Central Office.

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MILESTONE, INC. - ELMWOOD HEIGHTS

Facility I.D.: #0024943

Schedule of Federal Form 990 Reconciliation

FISCAL YEAR 2002

Page 19, Line 41

(\$621,968)

\$378,252 Related Organizational Net Income

Federal Form 990 Net Income

(\$243,716)

SCHEDULE XVII. Income Statement

Line 28: Gain on the sale of two vehicles: \$ 7,500

The gain on the sale of fully depreciated vehicles was treated as a reduction of the prior years' depreciation expense. See page 30

Schedule XX, Line 16 - E
Milestone, Inc. - ELMWOOD HEIGHTS
Facility I.D. : # 0024943
FISCAL YEAR 2002
07/01/01 THRU 06/30/02

Due to the varied hours worked by the administrator (early morning and late evening meetings) he is allowed to take the company vehicle home at night. Accordingly, he has a payroll deduction for any consequent personal use of the vehicle.

All other vehicles are stored at the facility when not in use.

Milestone, Inc. - ELMWOOD HEIGHTS # 0024943
Asset Listing - VEHICLES

<u>Description</u>	<u>Date Acquired</u>	<u>Cost</u>	<u>Current Book Depreciation</u>	<u>Life in Years</u>	<u>Straight Line Depreciation</u>	<u>Adjustments</u>	<u>Accumulated Depreciation</u>
93 Ford Van - Sold 11/01	12/09/92	16,693.00	0	S/L - 3YR	0	(3,500.00)	16,693.00
94 Ford Van - Sold 10/01	02/15/94	18,974.00	0	S/L - 3YR	0	(4,000.00)	18,974.00
94 Ford Van - E350	06/14/94	17,669.00	0	S/L - 3YR	0	0.00	17,669.00
96 Ford Cargo Van	02/14/96	18,667.50	0	S/L - 3YR	0	0.00	18,667.50
96 Ford F-150 P/U Truck	07/09/96	15,673.50	0	S/L - 3YR	0	0.00	15,673.50
96 Ford Club Wagon	08/13/96	22,617.24	0	S/L - 3YR	0	0.00	22,617.24
97 Ford Eldorado Bus	04/01/97	45,770.00	0	S/L - 3YR	0	0.00	45,770.00
97 Ford Eldorado Bus	08/06/97	45,770.00 (A)	0	S/L - 3YR	0	0.00	45,770.00
99 Ford Pick-Up	12/22/98	15,659.20	2,174.82	S/L - 3YR	2,174.82	0.00	15,659.20
99 Ford Van	12/22/98	23,752.40	3,298.91	S/L - 3YR	3,298.91	0.00	23,752.40
99 Windstar	04/12/99	17,349.35	4,337.24	S/L - 3YR	4,337.24	0.00	17,349.35
2000 Ford Van E-350	02/17/00	24,268.65	8,089.56	S/L - 3YR	8,089.56	0.00	19,549.77
2000 Ford Van	04/13/00	24,382.80	8,127.60	S/L - 3YR	8,127.60	0.00	18,287.10
94 Chevy Blazer	01/08/01	10,722.00	3,573.96	S/L - 3YR	3,573.96	0.00	5,360.94
92 GMC Pick-Up	01/08/01	6,943.00	2,314.32	S/L - 3YR	2,314.32	0.00	3,471.48
02 Ford Van E-350	08/30/01	24,646.80	7,530.93	S/L - 3YR	7,530.93	0.00	7,530.93
02 Ford Van E-350	08/17/01	24,646.80	7,530.93	S/L - 3YR	7,530.93	0.00	7,530.93
Less: A) FY 1997 DMHDD							
Capital Grant - Equipment		(25,000.00)					(25,000.00)
B) Disposals		(35,667.00)					(35,667.00)
C) Gain on Sale of Fixed Assets					(7,500.00)		
TOTALS		313,538.24	46,978.27		39,478.27	(7,500.00)	259,659.34

Milestone, Inc. - ELMWOOD HEIGHTS # 0024943
Fiscal Year 2002
Interest Expense Schedule

<u>NOTEHOLDER</u>	<u>RELATED PARTY</u>		<u>PURPOSE OF LOAN</u>	<u>MONTHLY PAYMENT REQUIRED</u>	<u>DATE OF NOTE</u>	<u>AMOUNT OF NOTE</u>		<u>MATURITY DATE</u>	<u>INTEREST RATE</u>	<u>REPORTING PERIOD INTEREST EXPENSE</u>
	<u>YES</u>	<u>NO</u>				<u>ORIGINAL</u>	<u>BALANCE</u>			
Amcore Bank Rockford		X	2000 Ford E - 350 Van	760.51	02/18/00	24,000.00	5,884.08	02/19/03	8.75%	900.00
Amcore Bank Rockford		X	2000 Ford E - 350 Van	764.77	04/12/00	24,000.00	7,277.70	04/20/03	9.00%	1,050.00
Amcore Bank Rockford		X	2002 Ford Van	761.50	08/17/01	24,646.80	18,303.00	08/20/04	7.00%	1,271.20
Amcore Bank Rockford		X	2002 Ford Van	762.00	08/29/01	24,646.80	17,426.97	09/05/04	7.00%	1,162.20
Amcore Bank Rockford		X	1999 Ford Pick Up Truck	514.14	12/21/98	16,500.00	0.00	12/30/01	7.49%	105.00
Amcore Bank Rockford		X	1999 Ford Van	732.26	12/21/98	23,500.00	0.00	12/30/01	7.49%	147.00
Amcore Bank Rockford		X	1999 Ford Windstar	529.10	04/20/99	17,000.00	0.00	05/10/02	7.25%	286.00
TOTALS				4,824.28		154,293.60	48,891.75			4,921.40

Milestone, Inc. - ELMWOOD HEIGHTS # 0024943
Schedule of Legal Fees

NAME	DATE	AMOUNT	CHECK #
Hinshaw & Culbertson	8/16/2001	5,031.48	71622
Hinshaw & Culbertson	8/23/2001	2,564.44	71756
Hinshaw & Culbertson	10/11/2001	15,376.49	72653
Hinshaw & Culbertson	11/1/2001	5,085.24	73043
Hinshaw & Culbertson	11/21/2001	117.50	73430
Hinshaw & Culbertson	11/29/2001	438.00	73558
Hinshaw & Culbertson	1/24/2001	82.85	74517
Hinshaw & Culbertson	3/21/2002	<u>259.37</u>	75604

TOTAL LEGAL FEES	<u><u>\$28,955.37</u></u>
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* See Addendum B for copies of the invoices

Milestone, Inc. - ELMWOOD HEIGHTS # 0024943
Schedule of In-Service Training
FY 2002

<u>CHECK</u> <u>DATE</u>	<u>CHECK #</u>	<u>AMOUNT</u>	<u>VENDOR</u>	<u>DESCRIPTION</u>
08/02/01	71409	101.25	Erin Wade	QMRP Training
09/06/01	72049	90.00	Erin Wade	QMRP Training
04/15/01	76457	227.69	J.T. Posey Company	Materials
07/26/01	71268	10.42	Kathleen Way	CPR/First Aid Training
08/16/01	71716	146.25	Kathleen Way	CPR/First Aid Training
09/13/01	72218	140.38	Kathleen Way	CPR/First Aid Training
10/04/01	72589	144.58	Kathleen Way	CPR/First Aid Training
11/01/01	73099	92.79	Kathleen Way	CPR/First Aid Training
12/13/01	73849	73.71	Kathleen Way	CPR/First Aid Training
01/10/02	74238	132.50	Kathleen Way	CPR/First Aid Training
02/07/02	74857	234.23	Kathleen Way	CPR/First Aid Training
04/11/02	75952	223.42	Kathleen Way	CPR/First Aid Training
05/02/02	76337	73.70	Kathleen Way	CPR/First Aid Training
06/06/02	76957	170.50	Kathleen Way	CPR/First Aid Training
07/18/02	77789	130.02	Kathleen Way	CPR/First Aid Training
08/30/01	71887	80.00	Paula Lash	Sensory Processing Presentation
02/28/02	75237	300.00	Physicians Immediate Care	Bloodborne Pathogens Training
05/30/02	76809	225.00	Physicians Immediate Care	Bloodborne Pathogens Training
08/23/01	71768	310.25	Program Development Associates	Strategy Materials for Direct Support Staff
06/13/02	76970	881.00	American Red Cross	CPR & First Aid Training Materials
07/18/02	77684	1,908.00	Crisis Prevention Institution	Training Program Participation Workbooks
05/16/02	76513	250.00	Alan Burkard	Supervision and Communication Skills Seminar
	TOTAL	<u>5,945.69</u>		

ADDENDUM

A

**ADDENDUM
B**